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Ex Parte Filing

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To: Office of the Secretary

From: Jane Gross, Policy and Rules Division
Mass Media Bureau

Date: June 9, 1997

Re: Ex Parte filing

Attached are two copies of a cover memo from the office of Senator Phil Gramm and a letter from Sinclair Broadcasting, which the Senator's office forwarded to us..

Please file the memo and letter as an ex parte filing in MM Docket Nos. 91-221 and 87-8.

If you have any questions, please call me at 418-2139.

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Phil Gramm
Texas

United States Senate

MEMORANDUM

Date: 5-22

Federal Communications Commission
Office of Congressional Affairs
1919 M Street, N.W.
Washington, DC 20554

A constituent has sent the enclosed communication. A response which addresses his/her concerns would be appreciated.

Please send your response, together with the constituent's correspondence, to the following address:

Office of Senator Phil Gramm
2323 Bryan Street, #2150
Dallas, Texas 75201

Attention: Curtis Edmonds
(214) 767-3000
(214) 767-8754 (fax)

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Federal Communications Commission
Office of Secretary

MAY 19 1997

SINCLAIR BROADCAST GROUP

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May 9, 1997

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Federal Communications Commission
Office of Secretary

Senator Phil Gramm
370 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Gramm:

I request your assistance on behalf of your constituent television station, KRRT-TV UPN Channel 35.

Current FCC regulations now under review by the FCC prohibit the ownership of more than one television station in the same market by the same person or entity. This prohibition dates from the early days of television when there were few stations and a scarcity of media outlets. Unfortunately, the FCC has failed to keep pace with the marketplace. Today, the consumer has numerous media choices (e.g. free, over-the-air broadcast, cable, satellite, on-line services, and print). The number of broadcast stations has increased significantly in all markets since the FCC's duopoly rules were developed. Now it is not unusual to have six, seven or more broadcast television stations in the same market.

Some television stations have become competitive by entering into local marketing agreements. An LMA is an arrangement permitted by the FCC which allows a licensee to sell blocs of air time on its station to another station in the same or adjacent market, which then supplies programming to fill that time and sells advertising to support it. An LMA enables two stations to take advantage of economies of scale. The success stories that have resulted from LMAs are numerous; LMAs allow the flexibility to offer innovative, community-oriented programming. For example, Sinclair's Fox-affiliate station in Baltimore recently helped launch a newscast on Baltimore's UPN-affiliate station with whom Sinclair has an LMA. The format, content, and time slots are completely different between the two news operations. The Baltimore constituency benefits by having two additional affiliate stations offering competing programming from which the consumer may choose. In another example, an LMA in Birmingham saved a station from near bankruptcy 18 months ago. Today, that station is in neck-and-neck competition as the number one station in the market.

KRRT is operated under an LMA with KABB-TV Fox Channel 29 in San Antonio. Sinclair hopes to duplicate the success of the Baltimore operation with the San Antonio/Kerrville stations. However, the chances of this occurring may be damaged by actions reportedly being considered by the FCC. The FCC is considering abolishing all existing LMAs or radically altering them. Such action contradicts the *Telecommunications Act of 1996* (Title II Sec 202) which grandfathered LMAs. The very nature of the LMA joint venture has led to increased (in some cases, head-to-head) competition among stations and it has increased diversity and choice

for the consumer. Many of the LMAs in the broadcast industry include stations affiliated with the newer networks (Fox, UPN, and WB) and independent stations, as well. The forced termination of LMAs could deal a crushing blow to competition, diversity and the viewer.

I request you write a letter to the FCC Commissioners urging them to grandfather LMAs which is the law and the intent of the Congress. Additionally, I request you send a similar letter to the Chairman and Ranking Member of the Senate Commerce Committee requesting their assistance in this matter. It is clear the FCC is not operating in the best interests of the public. Tampering with LMAs will inhibit the diversity which they promote.

Thank you in advance for your assistance in this matter.

Kindest regards,

A handwritten signature in black ink, appearing to read "Mark".

Mark E. Hyman
Director, Government Relations

cc: Mr. Mike Granados (KRRT-TV)